ESG @IST

IST AS A COMPANY

Environmental, social and corporate governance (ESG) factors have increasingly come into focus in recent years. From a risk perspective, they are gaining growing importance in investments alongside purely financial indicators.

IST successfully meets these challenges in the long term on two levels, as a company and as an investor on behalf of its clients.

GUIDING PRINCIPLES AND STRATEGY

The values of **independence, competence, commitment and integrity** anchored in IST's mission statement form a solid foundation.

The active, forward-looking integration of sustainability criteria in asset management, aligned with market standards, is an elementary component of the strategy. Its principles are based on the core messages of Swiss Sustainable Finance (SSF) and aligned with the UN Sustainable Development Goals (UN SDGs).

As a company, IST pursues two overarching goals that are part of its ESG framework. It acts as a not-for-profit company and actively looks after the interests of its investors. *This includes the achievement of a sustainable return.*

IST AS AN INVESTOR

The selection and monitoring of externally mandated asset managers are subject to our **best-in-class** criteria. In line with IST's strategic direction, the launch of a new investment group involves large investors as anchor investors.

IST's **investment policy** covers various levels:

- Consistent positioning, exclusion of sectors and countries using the SVVK recommendations as a last resort
- Complementing IST's ESG standards with those of external asset managers at investment group level
- Renovation of directly held real estate assets using best possible sustainability standards, installation of photovoltaic systems if possible
- Investments in infrastructure assets based on the UN SDGs and further exclusions (nuclear facilities, prisons, military)

ACTIVE INVESTOR

Exercise of voting rights

IST is an active investor and acts in the interest of its more than 420 investors. Each year, it **exercises voting rights** at a total of more than 1'200 general meetings of Swiss and foreign stock corporations and took a pioneering role in Switzerland long before the Minder initiative.

Engagement

IST pursues an engagement approach with the aim of effecting behavioral changes in companies rather than excluding them. In cooperation with Sustainalytics, IST pursues two engagement strategies:

- **Material Risk Engagement:** for companies with high ESG risk ratings according to Sustainalytics' methodology, dialogue is sought and improvements are proposed and monitored.
- **Thematic Engagement:** IST supports „Biodiversity and Natural Capital". A dialogue is being conducted with over 50 companies to strengthen biodiversity.

SUSTAINALYTICS
a Morningstar company

MEMBERSHIPS

As a member of **ASIP** (Swiss Pension Fund Association), IST supports its goals in the preservation and promotion of occupational pension provision.

Through its membership in **SSF** (Swiss Sustainable Finance), IST supports the promotion of Switzerland's position as a leading location for sustainable investing and accompanies regulatory developments in this area.

With its membership in the **Foundation Eigenverantwortung in der beruflichen Vorsorge** (Personal Responsibility in Occupational Pension Plans), IST is committed to the education and training of management bodies and to the continuous development of occupational pension plans.

The association **BVG Auskünfte** (BVG information) provides free information on questions about pension funds and pensions.

As a member of **KGAST** (Conference of Managing Directors of Investment Foundations), IST is committed to providing transparent and cost-effective services.

REPORTING

We communicate comprehensively and transparently about IST's measures and activities in the area of sustainability at foundation level and at investment group level.

Our reporting includes:

- IST Sustainability Report
- Report on the exercise of voting rights shares Switzerland and abroad
- Report on the engagement of IST
- ESG factsheets per investment group
- Real estate direct investments: recording and reporting of consumption data (electricity, water, energy)
- Infrastructure investments: alignment with UN SDG

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